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C O N F I D E N T I A L SECTION 01 OF 04 ADDIS ABABA 003092

SIPDIS

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TAGS: [PGOV](#) [PREL](#) [EAGR](#) [OTRA](#) [EAID](#) [ET](#) [SO](#)
SUBJECT: PRIME MINISTER MELES DISCUSSES AGRICULTURE
DEVELOPMENT, CSO LAW, SOMALIA WITH STAFFDEL PHELAN

Classified By: Ambassador Donald Yamamoto. Reasons 1.4 (b) and (d).

Summary

¶1. (C) Senate Committee on Foreign Relations Professional Staff Member (PSM) Michael V. Phelan met with Ethiopian Prime Minister Meles Zenawi on November 6 to discuss potential United States support for agricultural development to enhance food security in countries and regions receiving a significant amount of food assistance from the United States.

Phelan also raised United States concerns regarding Ethiopia's proposed civil society (CSO) law, recent crackdowns on members of mainstream opposition parties and Ethiopia's progress in Somalia. The Prime Minister enthusiastically welcomed potential support for agricultural and rural development and described Ethiopia's efforts to improve its agricultural productivity and the challenges it faces, including lack of seed variety, fertilizer and capable extension workers. Meles affirmed that Ethiopia wants to engage constructively with the United States and become a fully functioning democratic system, but said proposed U.S. Congressional legislation toward that end might be "unhelpful." Turning to Somalia, the Prime Minister said Ethiopia can live with a Somalia with terrorists, but not a Somalia run by terrorists, and said the economic and social costs of the intervention are putting pressure on the Ethiopian government to withdraw. "If we leave and the terrorists recover (territory)," Meles said, "we will have to intervene again." Meles said progress on peace and reconciliation, particularly between the Somali Transitional Federal Government (TFG) and the Alliance for the Re-Liberation of Somalia (ARS), had been mixed, and added that the African Union Mission in Somalia (AMISOM) will want to withdraw before Ethiopia does. Meles thanked the PSM for United States support for a follow-on United Nations mission in Somalia, but acknowledged the challenges involved because "nobody wants to send troops where there is little chance of success." End Summary.

¶2. (C) Senate Foreign Relations Committee PSM Phelan, the Ambassador and Deputy PolCouns (notetaker) met with Prime Minister Meles on November 6 to discuss potential United States support for agricultural development to enhance food security in countries and regions receiving a significant amount of food assistance from the United States. Phelan also raised United States concerns regarding Ethiopia's proposed civil society law, recent crackdowns on members of

mainstream opposition parties and Ethiopia's progress in Somalia.

Enthusiastic About Agricultural and Rural Development...

13. (SBU) Noting his trip is part of a twelve country study, Phelan informed Meles that the United States Congress is preparing legislation to address long-term food security challenges worldwide through greater support for agricultural and rural development. The Prime Minister said that agricultural and rural development is the centerpiece of Ethiopia's development strategy and he enthusiastically welcomed a "roots and branch" approach to the agriculture sector, which, he added, has long been neglected by Ethiopia's international development partners. Meles was animated and displayed a notable command of the minutiae of his government's policy and programmatic efforts to transform the agricultural sector.

...Cognizant of Challenges

14. (C) Meles said that Ethiopia is essentially "two countries" from an agricultural standpoint: highlands, where progress is being made, and pastoral lands, where "there are many structural problems we have not addressed," including land degradation and drought mitigation. In the highlands, the Ethiopian government (GoE) is focused on "scaling up" programs designed to boost farmers' yields which, although rising over the past four to five years, are quite low

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compared with those of, i.e., Kenya. Meles said the GoE is in the second year of its "scaling up program," and review of the first year revealed challenges with "supportive capacity," which he described as access to improved seed varieties, access to affordable fertilizer, and a dearth of capable extension workers. Ethiopia has seed multiplication programs, but as yet only a fraction of rural households are involved, Meles said. The country is not opposed to the use of genetically modified seeds, but cost, property rights and "export market concerns" could be obstacles to their use. Meles added that Ethiopia has considered, rejected and is reconsidering constructing a fertilizer plant, based on its perception of world commodity prices and trade, noting that the GoE would "welcome private sector investment, either fully private or as a joint venture in collaboration with a state owned enterprise." Ethiopia's ability to purchase fertilizer on world markets this year has been hampered by the country's foreign exchange crisis, Meles noted.

15. (C) Meles said Ethiopia's agricultural productivity has increased ten percent per year over the past five years, but noted that subsistence farmers have also been slow to adopt new agricultural techniques due to perceived costs. Ethiopia is attempting to use successful farms as models for others, noting that the government had found one farm in the highlands that, if its "best practices" are replicated widely, could "triple the yields in this country." The process of transforming the agricultural sector, Meles said, involves "social transformation, it is slow, and there are no short cuts - but we are making some progress." Meles added that Ethiopia is attempting to create a "transparent and efficient" agricultural market, which includes a newly introduced commodities exchange. Meles lamented that USAID projects "are not scalable" and urged that USAID look to its own past best practices in Taiwan to seek how best to support agricultural transformation. USAID can assist Ethiopia with research and training of extension workers, but should also "shift from pilots to cover what works," Meles said.

16. (C) Turning to agricultural exports, Meles said flower exports have been "very successful and very profitable," but noted that the government "helped with credit and offered the land to companies for virtually free." Labor is also cheap,

Meles said, although he cautioned that flowers do not have unlimited markets and Ethiopia is actively seeking new export destinations. Peas may be a new high-end export product, Meles said, because they are "scalable." Ethiopia is trying to attract investors for farm products in "unused arable land" in the western lowlands, but so far, only Saudi companies have expressed interest and no projects have moved forward. Meles was clear to distinguish "unused arable land" from commons set aside for pastoralists, adding that "we have not had any meaningful success in transforming pastoralists' livelihoods, although pilot projects for resettlement have been positive. We need to invest much more in the development of water resources and irrigation in the lowlands."

Phelan Raises Democracy and Governance

17. (C) PSM Phelan underscored the United States' commitment to democracy and good governance in Ethiopia, even as the United States maintains its close cooperation with Ethiopia on security matters. Phelan raised the recent proposed Ethiopian civil society law and detentions of members of the mainstream political party Oromo Federal Democratic Movement (OFDM) as sources of concern (septel). Meles responded that the OFDM deputy and others have been arrested as "very active members of the (banned) Oromo Liberation Front (OLF)." Some OFDM parliamentarians are OLF members and have been to Eritrea to seek funding for OLF operations, Meles contended, adding that the detained OFDM deputy had fingered members of his own organization as OLF. Insisting that the Ethiopian government had "thoroughly investigated" each person arrested, Meles argued the OFDM is simply an OLF front, noting that those arrested are "not the first to go to Eritrea - this is just the tip of the iceberg."

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18. (C) Turning to democracy and governance, Meles said "we want to engage constructively with the United States and our intention is to move toward a fully functioning democratic system. Any support or engagement we get is welcome and valuable." Meles acknowledged "we are an emerging democracy with imperfections that we constantly try to identify and correct," but, citing legislation proposed variously by Representative Payne and Senator Feingold, noted that Congressional attempts to address Ethiopia's democracy and governance challenges are "unhelpful, based on inadequate information on what happens in Ethiopia, offer likely flawed prescriptions, and are based on flawed philosophy." Meles said Ethiopia can only become democratic through its own will, while, if "every Congressman prescribes a solution without understanding the complexities of the country, the good that can be done will be constrained." For example, Meles said, "if the Payne legislation had passed, we would have had to reject it. There would have been consequences for USAID. We don't want to have that, but we won't accept help at any cost. For me it is philosophically unacceptable to tell us how to organize our national elections or make a national electoral board when every U.S. state holds its elections differently. You can't force us to pass something not even done in the United States. You have to give countries the benefit of the doubt." Softening his tone a bit, Meles added, "We need USAID assistance, but we are unlikely to seek it at our own expense. The type of legislation pending in the U.S. Congress just will put a wedge in what we can do. We want continuity and the best bilateral relations with the United States, but if the choice is that such people feel they need to pass legislation and conditions, we won't accept it and we'll try to do something by other means."

Somalia: Meles Sees Mixed Progress

19. (C) Turning to Somalia, Meles said Somalia is a "mixed

picture, with some progress." Specifically, Meles said "the ARS is beginning to behave in a manner that could be constructive." Referring to ARS leader Sheikh Sherif, the Prime Minister noted that "some (ARS) members have split away (from extremists) and engaged the TFG. We have been in touch with them. Sherif has recently been close to the border (between Ethiopia and Somalia), with our green light, to see how he interacts with the local population. The reports back to us have been encouraging." Meles cautioned that ARS represents only a significant part of disaffected clans, not all them," but added that "if ARS is brought on board, security in Mogadishu, and north of Mogadishu, could improve significantly." Meles called the TFG "a difficult entity; they are still at each others, throats." He said that implementing the recommendations from the late-October Inter-Governmental Authority for Development (IGAD) summit is "bound to be challenging." AMISOM is still constrained by circumstances, Meles said, emphasizing that "the United Nations has still not dealt with re-hatting, and terrorists still have adequate clan cover and control over a significant part of Somalia."

Ethiopia Under Pressure To Withdraw

¶10. (C) Meles expressed frustration with Ethiopia,s quandary, noting that the TFG is "using our presence to attempt to impose itself on some (constituencies), while the opposition (in Somalia) uses us to mobilize nationalist sentiment against the TFG. We simply want to disrupt terrorists and withdraw. Meles noted that the Ethiopian government is under "significant domestic pressure to withdraw from Somalia," citing the financial burden and the cost in lives of Ethiopian soldiers. Meles said "if we see light at the end of the tunnel, we will make our departure as vacuum free as possible. (Unfortunately), its hard to see the light unless the IGAD recommendations are implemented. We may have to withdraw despite the impact on AMISOM" and we have no illusions (about the adverse consequences). The Ugandans deployed to Somalia on the promise that we would assist them if they were threatened. It has always been part

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of the deal that they will withdraw before us so that we can provide them with cover. (So) AMISOM will withdraw before us unless the security situation improves. If we (and AMISOM) withdraw, the TFG will cease to exist. All we can hope for is to limit the damage."

¶11. (C) "Somalia," Meles said, "may have terrorists for some time. (The recent bombings in Somaliland) demonstrate the terrorists, outreach and the difficulty of the environment, not a failure of the Somaliland security forces. Terrorists will be part of the landscape for some time, no matter what happens in Mogadishu." Meles noted that "Somalia will be for some years a challenging environment for Ethiopia, Kenya, and (Somali allies), as well as for the international community, due to the threat from pirates and terrorists." Meles added that "We can live with a Somalia that has terrorists, but not a Somalia run by terrorists. If we leave and the terrorists recover (territory), we will have to intervene again."

¶12. (C) Referring to a potential United Nations peacekeeping operation for Somalia, Meles said that, based on his consultations with Secretary Rice and Assistant Secretary Frazer on September 27, "the Secretary and Assistant Secretary have a full understanding of, and support for, a UN re-hatting of AMISOM in Somalia. We have no reason to complain about the U.S. position. We see challenges within the UN because nobody wants to send troops where there is little chance of success." "Uganda," Meles repeated, "can only stay if security improves and there is a follow-on UN mission. I hope the UN will be more forthcoming."

¶13. (U) PSM Phelan did not have the opportunity to clear this cable before departing Ethiopia.

